



January 23, 2002

## SENATE BILL No. 429

DIGEST OF SB 429 (Updated January 17, 2002 11:55 AM - DI 101)

**Citations Affected:** IC 5-1.

**Synopsis:** Restrictions on terms of bond issues. Provides that, without the approval of the budget director, certain entities may not include an agreement to seek appropriations from the general assembly to restore a debt service reserve fund or otherwise pay debt service on bonds or other obligations in a resolution, trust agreement, indenture, or other agreement adopted or entered into after March 31, 2002.

**Effective:** April 1, 2002.

**Borst**

January 10, 2002, read first time and referred to Committee on Finance.  
January 22, 2002, reported favorably — Do Pass.

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SB 429—LS 7172/DI 44+



January 23, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## SENATE BILL No. 429

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 5-1-14-4.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 APRIL 1, 2002]: **Sec. 4.5. (a) This section applies to:**

- 4           (1) the Indiana development finance authority;  
5           (2) the state office building commission;  
6           (3) the Indiana bond bank;  
7           (4) the Indiana health facility financing authority;  
8           (5) the Indiana housing finance authority;  
9           (6) the Indiana port commission;  
10          (7) the Indiana transportation finance authority;  
11          (8) the recreational development commission;  
12          (9) the state fair commission;  
13          (10) the Indiana educational facilities authority; and  
14          (11) the Indiana political subdivision risk management  
15          commission.

16       **(b) Notwithstanding any other law, after March 31, 2002, an**  
17       **issuer described in subsection (a), or any other entity or individual**

SB 429—LS 7172/DI 44+



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1 acting on behalf of an issuer described in subsection (a), may not:

2 (1) include in a resolution, trust agreement, indenture, or  
3 other agreement adopted or entered into after March 31,  
4 2002, a provision stating that the issuer or any other entity or  
5 individual is authorized or required to request appropriations  
6 from the general assembly to:

7 (A) restore a debt service reserve fund; or

8 (B) otherwise pay debt service on or secure any obligations  
9 or any lease rental or contractual obligations; or

10 (2) amend a resolution, trust agreement, indenture, or any  
11 other agreement after March 31, 2002, by adding a provision  
12 described in subdivision (1);

13 unless the inclusion or addition of that provision is authorized by  
14 subsection (c) or approved by the budget director. A provision  
15 included in or added to a resolution, trust agreement, indenture, or  
16 other agreement in violation of this section is void and  
17 unenforceable.

18 (c) This section:

19 (1) does not prohibit the Indiana bond bank from including a  
20 description of the duties of the chairman of the Indiana bond  
21 bank under IC 5-1.5-5-4 or IC 5-1.5-6.5-4; and

22 (2) does not prohibit the Indiana transportation finance  
23 authority from including a description of the duties of the  
24 chairman of the authority under IC 8-14.5-5-2(d);

25 in a resolution, trust agreement, indenture, or other agreement.

26 SECTION 2. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 429, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 429 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 15, Nays 0.

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SB 429—LS 7172/DI 44+

